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Inflation jumps to 6.24pc in October

• Rural areas hit hardest as tomatoes, sugar and wheat lead price hikes • Floods, border tensions fuel pressures

By Khaleeq Kiani

ISLAMABAD: Food items and energy spiked the inflation, measured by Consumer Price Index (CPI), to 6.24 per cent in October against 5.6pc in September, the Pakistan Bureau of Statistics (PBS) reported on Monday.

As a result, average inflation (CPI) in the first four months (July-October) of FY26 also moved up to 4.73pc when compared to the same period of last fiscal year. A month-on-month increase in CPI was reported at 1.83pc in October over September. Rural areas suffered the most due to rising prices as rural CPI was reported to have increased by 2.26pc in October while their urban compatriots faced 1.54pc increase in inflation.

The PBS said the 6.24pc increase for October was caused by an across-the-board rise in prices, except recreation and culture, which dropped by 3.7pc.

On the other hand, national prices of food and beverages (non-alcoholic) increased by 5.6pc, clothing and footwear by 8.07pc, housing, water, fuels and energy by 4.24pc, health 9.7pc, transport 6.7pc, education 10.6pc and other goods and services by 18.2pc.

Major food items that impacted the household expenses included 127pc increase in the prices of tomatoes, sugar (345pc), butter (30pc), wheat (23pc), honey (18pc), wheat flour (15.7pc), vegetable ghee (12.50pc) and pulse moong (12pc). The prices of non-food items which went up included gas charges (23pc), electrical appliances for personal use (13.59pc), footwear (12.67pc), newspapers (11.93pc), woollen readymade garments (11.66pc), transport services (11pc), solid fuel (10.63pc) and education (10.41pc).

On the other hand, the prices of onions were down in October over October of last year by 33.82pc, chicken (29.08pc), pulse gram (27.28pc), besan (22.27pc), pulse mash (21.80pc), tea (17.75pc), gram whole (17.49pc), potatoes (17.12pc), pulse masoor (5.41pc), beans (4.88pc) and fresh vegetables (2.13pc). Also, the electricity rates were down 15.59pc in October when compared to the same month last year followed by textbooks (10.61pc) and liquefied hydrocarbons (1.72pc).

Major food items driving the price index in October over September included tomatoes (58.64pc), onions (18.71pc), fresh vegetables (12.22pc), wheat (10.51pc), wheat flour (5.49pc), eggs (4.22pc), fish (3.83pc), wheat products (2.61pc), fresh fruits (2.44pc), butter (2.21pc), vegetable ghee (1.91pc) and cooking oil (1.02pc). These kitchen items are major part of the household budgets. Food items have almost 35pc share in overall national price index.

On top of this, some non-food items contributing to the monthly price hike included electricity charges which went up by 8.78pc, postal services (6.1pc), transport services (2.93pc), house rent (1.46pc), dental services (1.19pc) and tailoring (1.14pc).

On the other hand, the key kitchen items whose prices eased in October compared to September included chicken (21.52pc), potatoes (2.36pc), beans (1.93pc), Besan (1.81pc), pulse gram (1.74pc), gram whole (0.78pc) and pulse masoor and moog down by 0.32pc and 0.20pc, respectively.

Floods, border tensions fuel prices

According to Reuters, the government last week forecast inflation in the 5 to 6 per cent range for October, noting that flood-related supply pressures and border closures with Afghanistan had pushed up prices of some essential goods. Floods in August swamped farmland and industrial hubs in Punjab, killing more than 1,000 people, displacing 2.5 million and damaging crops and factories, tightening food supplies across the country. The pressure was compounded by border clashes with Afghanistan that shut major crossings used for food and fuel trade. The two countries later agreed to extend a ceasefire, but crossings remained restricted after October 11, disrupting commerce and deepening shortages in Pakistan's northwestern regions.

The central bank said the overall economic outlook had improved, with better-than-expected crop yields, stronger industrial activity and a rebound in high-frequency indicators, though risks from global commodity volatility and domestic energy prices remain.

A private survey, meanwhile, showed manufacturing activity contracted for a second straight month in October, though the pace of decline slowed.

The HBL Pakistan Manufacturing PMI rose to 49.6 from 48.0 in September, with firms citing weak demand, higher taxes and power outages as key drags, even as business confidence remained cautiously optimistic. A reading below 50 indicates a contraction.

Cotton output may drop 15pc despite early gains

Late-season slump and data gaps cast a shadow over revival hopes

By Amjad Mahmood

LAHORE: Pakistan's cotton output for 2025-26 is projected to fall by 10 to 15 per cent compared to last year, despite early signs of recovery, according to data released by the Pakistan Cotton Ginners Association (PCGA) on Monday.

By Oct 31, a total of 4.437 million bales had reached ginning factories nationwide — only 3pc higher than the same period last year. The modest rise follows a strong start, with production 49pc higher year-on-year by Sept 30, with gains of 56pc in Punjab and 45pc in Sindh. However, between Oct 16 and 31, arrivals plunged 46pc from last year's corresponding period.

Ihsanul Haq, chairman of the Cotton Ginners Forum, said the sharp slowdown suggested total output may end up well below last season's level. "Textile mills may have to import more cotton to meet export orders," he warned.

During the period under review, textile mills purchased 3.59m bales, while exporters bought 153,000 bales. Around 694,000 bales remain unsold. Punjab's ginning units received 1.909m bales, up four per cent, and Sindh's factories 2.528m bales, up three per cent year-on-year.

Mr Haq attributed the early surge to high temperatures and early sowing in Punjab, which brought picking forward by nearly a month. But the sudden late-October decline has dampened optimism.

Naseem Usman of the Cotton Brokers Association expressed concern over rising import dependency, noting that mills may turn to costly US cotton as Brazilian supplies face honeydew contamination and Afghan imports remain uncertain due to border instability.

Mr Haq criticised weak enforcement of crop zoning laws, arguing that without restricting sugarcane in cotton zones, government-funded revival projects "cannot succeed".

He also lamented the closure of HVI testing laboratories under the Clean Cotton Project, saying the Rahim Yar Khan lab has been inactive for years, while the Bahawalpur facility was recently relocated, depriving local ginners of essential testing services.

Discrepancies between PCGA and Crop Reporting Service (CRS) Punjab figures have further unsettled the sector. While PCGA reports 1.909m bales for Punjab by Oct 31, CRS estimates 3.5m bales, a gap that analysts warn could distort policy and market planning.

Upgraded PQ to generate half of $100bn revenue goal: minister

ISLAMABAD: Minister for Maritime Affairs Muhammad Junaid Anwar Chaudhry on Monday announced an ambitious modernisation plan for Port Qasim, aimed at transforming it into a key industrial and trade hub capable of generating half of Pakistan's $100 billion revenue target.

Speaking at a ceremony celebrating Port Qasim's recognition as the world's ninth most improved container port, the minister said the milestone reflected successful management reforms and modernisation efforts. The port improved its performance score by 35.2 points, showcasing progress in reducing cargo dwell time, streamlining berth operations, and adopting digital systems, he added.

Mr Chaudhry said the government's goal was to develop Port Qasim into a regional industrial and trade gateway, driving growth through infrastructure expansion, industrialisation, and green maritime initiatives. Owing to its industrial base and strategic location along vital shipping routes, he said, the port could deliver a significant share of national revenues.

Highlighting a $13 billion national savings plan over the next decade, the minister said the establishment of Pakistan's first Sea-to-Steel Green Maritime Industrial Corridor would help revive Pakistan Steel Mills. The initiative would integrate port operations with industrial activity, creating a continuous value chain from maritime logistics to steel production, he explained.

An Integrated Maritime Industrial Complex (IMIC) will be developed as part of the second phase, linking ship recycling with steel manufacturing to enhance output and generate employment. The Steel-to-Green Sea Project, jointly implemented by the Maritime Affairs and Industries ministries, will ensure sustainable industrial growth, he said.

The minister said the Port Qasim Authority (PQA) was pursuing multiple projects to expand capacity and improve efficiency, including new multipurpose and container terminals, the Port Qasim Special Economic Zone (PQSEZ), and Green Port technologies.

He said upgraded road, rail, and digital connectivity would reduce logistics costs and boost competitiveness, while ongoing LNG and power projects within the port area were strengthening Pakistan's energy security."The vision is to make Port Qasim not just a cargo facility, but a comprehensive maritime-industrial ecosystem powering Pakistan's future growth," Mr Chaudhry concluded.—APP

Urea sales decline

KARACHI: Urea sales fell to 351,000 tonnes in October, down 2 per cent year-on-year (YoY) and 18pc month-on-month (MoM), according to data compiled by Topline Securities.

Analyst Asad Ali said the month-on-month decline was largely due to pre-buying in earlier months. He noted that Engro Fertiliser raised its discount on urea bags to Rs320 per bag towards the end of October, while Fauji Fertiliser maintained an average discount of Rs70 per bag.

Urea offtake in the first 10 months of 2025 stood at 4.55 million tonnes, down 8pc YoY from 4.93m tonnes in the same period last year, mainly reflecting weak farm economics.

Urea inventories also rose, with closing stocks reaching 1.42m tonnes in October, compared to 1.15m tonnes in September, the report said.

Meanwhile, DAP sales for October were estimated at 140,000 tonnes, showing a 55pc YoY decline but a 44pc MoM increase owing to seasonal demand. During 10M2025, total DAP offtake stood at 936,000 tonnes, down 25pc YoY.

Closing DAP inventory reached 408,000 tonnes in October, up from 392,000 tonnes in September and 307,000 tonnes a year earlier. Mr Ali said urea inventory levels are expected to remain elevated in the near term due to ongoing weakness in the agriculture sector, though rising farm incomes are beginning to support recovery.—Staff Reporter

US DOLLAR BUYING Rs281.43 SELLING Rs281.95
EURO BUYING Rs323.93 SELLING Rs327.51
GBP BUYING Rs369.32 SELLING Rs374.00
UAE DIRHAM BUYING Rs76.70 SELLING Rs77.55
KSA RIYAL BUYING Rs74.97 SELLING Rs75.60
GOLD TOLA Rs423,862 10 GMS Rs363,393

WORKERS are seen arranging commodities at a spice and grocery shop in Karachi.—Reuters/file

Digital payments make up 88pc of retail deals

By Shahid Iqbal

KARACHI: Payments through digital channels accounted for 88 per cent of all retail transactions in FY25, up from 78pc in FY23 and 85pc in FY24, according to the State Bank of Pakistan's Annual Report on Payment Systems released on Monday.

The SBP said the rapid growth of digital payments has not only improved convenience for consumers but also enhanced the country's image internationally. However, it cautioned that rising cybercrime remains a growing threat to the financial system.

A Wakefield Research–Visa survey earlier this year found that 55pc of Pakistanis had fallen victim to online financial fraud. The central bank said it has advised commercial banks to strengthen their cybersecurity measures to protect customers as digital transactions expand.

Despite these challenges, the report described the surge in electronic payments as "remarkable". It said transaction counts rose by 396pc, while the value of transactions increased by 731pc, reflecting "the enthusiastic adoption by market participants" and a decisive shift toward digital finance.

Retail payments climbed to 9.1 billion transactions worth Rs612 trillion, marking year-on-year growth of 38pc in volume and 12pc in value.

Mobile banking led the sector with 6.2bn transactions, up 52pc, while internet banking handled 297 million transactions, an increase of 33pc. E-money wallets recorded the fastest expansion, with both transaction volume and value doubling during the year — evidence of growing public trust in electronic money institutions.

The SBP noted that Raast, Pakistan's instant payment platform, more than doubled its transactions in both count and value, establishing itself as a "cornerstone" of the digital ecosystem.

The launch of Raast Person-to-Merchant (P2M) services, it said, marked the start of a transformative shift towards financial inclusivity, faster settlements, and a stronger digital payment trail.

During FY25, the central bank issued a commercial licence to SafePay (Pvt) Ltd, enabling it to operate as an e-commerce payment gateway provider. The SBP said the new entrant would expand and diversify Pakistan's online payment landscape, fostering competition and innovation.

Two Electronic Money Institutions (EMIs) — E-Processing Systems (Pvt) Ltd and Wemsol (Pvt) Ltd — began live operations, while Hubpay (Pvt) Ltd and YAP (Pvt) Ltd received pilot approvals to launch digital wallets. These developments, the report noted, are expected to further boost adoption and deepen financial inclusion across the country.

Cement despatches rise 15pc

By Our Staff Reporter

KARACHI: Local cement despatches surged 15.17 per cent year-on-year in October to 3.926 million tonnes, up from 3.409m tonnes in the same month last year, according to data released by the All Pakistan Cement Manufacturers Association (APCMA).

However, exports dropped 23.44pc, falling from 1.081m tonnes to 0.827m tonnes. Total cement despatches — including both domestic sales and exports — stood at 4.754m tonnes, compared to 4.490m tonnes in October 2024, reflecting modest growth of 6pc.

During the first four months of FY26, total cement despatches reached 17.265m tonnes, up 15.48pc from 14.951m tonnes in the same period last fiscal year.

Domestic despatches rose sharply by 18pc to 13.849m tonnes, compared to 11.728m tonnes a year earlier. Export volumes also improved 6pc year-on-year, totalling 3.416m tonnes, against 3.223m tonnes during 4MFY25.

An APCMA spokesman said the decline in exports over the past two months was "a matter of concern" for the industry.

"If this trend continues, it may dent our hopes of a full cement sector revival," he warned, urging the government to adopt export-friendly policies to make Pakistani cement more competitive in foreign markets. Industry observers noted that while strong local demand continues to support production, high freight costs and weaker regional demand are weighing on export performance.

Hubco's Thar projects reach key milestone

By Our Staff Reporter

KARACHI: The Hub Power Company Ltd (Hubco) has announced that the lenders of Thar Energy Ltd (TEL) and ThalNova Power Thar (Pvt) Ltd (TN) have declared the project completion date (PCD) for their 2x330MW power plants as Oct 31, in accordance with their project financing agreements.

In a stock filing, Hubco said both TEL and TN are mine-mouth coal-fired independent power producers (IPPs) operating in Thar, which achieved commercial operations on Oct 1, 2022, and Feb 17, 2023, respectively.

Hubco holds a 60 per cent direct share in TEL and an indirect 38.3pc stake in TN through its wholly owned subsidiary, Hub Power Holdings Ltd. Both projects are recognised as priority initiatives under the CPEC.

Hubco said the declaration of the PCD was a "monumental occasion" for the company, as it enables TEL and TN to declare dividends to shareholders, subject to the availability of distributable profits and completion of regulatory procedures.

Attock Cement buying

The board of directors of Fauji Cement Company Ltd (FCCL) has approved a plan to jointly acquire a controlling stake in Attock Cement Pakistan Ltd (ACPL) alongside Kot Addu Power Company Ltd (Kapco).

In a stock exchange filing, FCCL said the acquisition covers 84.06pc of ACPL's issued and paid-up capital, giving the two companies joint control of the cement manufacturer. Under the arrangement, FCCL will acquire 57.76 million ordinary shares, equivalent to 42.03pc of ACPL's paid-up capital, while Kapco will purchase an equal number of shares, representing another 42.03pc stake.

Stocks cross 162,000 barrier on value-hunting

By Muhammad Kashif

KARACHI: Defying a surge in inflation for October, the Pakistan Stock Exchange (PSX) extended its upward march on Monday, with investors pursuing value-hunting across the board. The benchmark KSE-100 index crossed the 162,000-point threshold, sustaining last week's bullish momentum.

The index gained 1,172.42 points, or 0.72 per cent, to close at 162,803.16, after touching an intraday high of 163,935 points, up 2,303 points or 1.43pc. Mild profit-taking towards the close trimmed some early gains.

"Following Friday's strong rally, the PSX continued its upward trajectory with a session of positive consolidation," said Ali Najib, Deputy Head of Trading at Arif Habib Ltd. He added that sentiment remained optimistic as investors built positions in key blue-chip counters.

On the economic front, the Consumer Price Index (CPI) climbed to 6.2pc year-on-year in October, the highest since the same month last year, compared to 5.6pc in September. Higher food and energy costs mainly drove the rise amid seasonal and supply-side pressures.

Sector-wise, fertiliser, banking, power, and technology stocks led the charge. Trading volumes slipped marginally by 0.36pc to 948 million shares, while the traded value increased 12.57pc to Rs47.5 billion. Hascol Petroleum dominated the volume chart, accounting for 119.5 million shares.

According to Topline Securities, the market's upward momentum was fuelled by institutional inflows, particularly from local mutual funds, as reflected in NCCPL data.

Heavyweights, including Fauji Fertiliser, Engro Corporation, National Bank, Hub Power, and TRG Pakistan, were major contributors, collectively adding 1,131 points to the index's rise. Analysts said the index remains within its consolidation range of 160,000-170,000 points, but sustained buying could see it test and possibly breach the 165,000 mark later this week.

PAKISTAN STOCK EXCHANGE

THE TOP FIVERS

GAINERS		LOSERS		LEADERS*	
Unilever Foods	455.70	PIA Holding CoB	336.52	Hascol Petroleum	119.51
Atlas Honda	71.80	Sapphire Fibres	38.11	Bank of Punjab	81.16
Pakistan Services	66.81	Hoechst Pakistan	34.95	WorldCall Telecom	44.13
Bhanero Textile	45.64	Siemens Pakistan	33.32	Waves Corporation	38.80
Gillette Pakistan	40.47	Sitara Chemical	22.66	First Capital Sec	36.20

(Share values in rupees) * Volume in millions of traded shares

INDICATORS	Monday	Previous	Change
KSE 100-SHARE INDEX (Points)	162,803.16	161,631.73	▲ 1,171.42
KSE 30-SHARE INDEX (Points)	49,497.35	49,377.29	▲ 120.05
MARKET CAPITAL (Rs billion)	18,642.513	18,561.637	▲ 80.876
TRADING VALUE (Rs billion)	47.581	42.267	▲ 5.314

ACTIVITY

Total listed	532
Active	486
Gainers	262
Losers	176

PARTICIPANTS

Foreign	▼$2.29m
Companies	▲$2.51m
Banks	▼$5.25m
Mutual Funds	▲$4.39m
Individuals	▲$2.69m